

DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

Minutes

March 14, 2016

The Regular Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority convened at 12:15 p.m. on the above date in the Danville Regional Airport Conference Room, 424 Airport Drive, Danville, Virginia. Present were City of Danville Members Vice Chairman Sherman M. Saunders, Fred O. Shanks, III and Alternate J. Lee Vogler. Pittsylvania County Members present were Chairman Jessie L. Barksdale, Robert Warren and Alternate Elton W. Blackstock.

City/County staff members attending were: Pittsylvania County Administrator Clarence Monday, Interim City Manager Ken Larking, Pittsylvania County Economic Development Director Matt Rowe, Assistant County Administrator for Planning & Development Greg Sides, City of Danville Director of Economic Development Telly Tucker, City of Danville Director of Public Works Ric Drazenovich, City of Danville Finance Director/Authority Treasurer Michael Adkins, City of Danville Senior Accountant Henrietta Weaver, Clement Wheatley Attorney Michael Guanzon and Secretary to the Authority Susan DeMasi.

Also present was Shawn Harden of Dewberry & Davis.

Mr. Barksdale noted that Resolution 2016-03-14-6B under Item 6B had not been posted online; copies were available today.

**PUBLIC COMMENT PERIOD**

No one desired to be heard.

**APPROVAL OF MINUTES FOR THE FEBRUARY 8, 2016 MEETING**

Upon **Motion** by Mr. Warren and **second** by Mr. Shanks, Minutes of the February 8, 2016 meeting were approved as presented. Draft copies had been distributed to Authority Members prior to the Meeting.

**OLD BUSINESS**

**5A. CONSIDERATION – RESOLUTION 2016-03-14-5A REVISING THE AMENDED AND RESTATED BYLAWS**

Mr. Barksdale noted this matter had been carried over from the last meeting in compliance with the bylaws.

Mr. Saunders **moved** adoption of *Resolution No. 2016-03-14-5A, revising the Amended and Restated Bylaws of the Authority adopted August 13, 2007, and last revised February 9, 2015, to provide that the director elected to the office of vice chairman of the Authority shall not be from the same member locality as that of the chairman of the Authority.*

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

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**5B. CONSIDERATION – RESOLUTION 2015-09-14-6B APPROVING AMENDMENT #10 TO DEWBERRY CONTRACT**

Assistant County Administrator for Planning & Development Greg Sides explained the next step in the development of the Berry Hill Mega Park is to be able to grade the developable pad areas that RIFA proposed in the permit. Amendment #10 to the contract with Dewberry for overall master planning and engineering Berry Hill, was originally brought before the Board last year. The consensus of the Board at that point, before RIFA moves forward with specific engineering, was to get the permit.

Shawn Harding of Dewberry noted a few weeks ago, staff received correspondence from the Corp with regard to the DHR issues that RIFA had; the Corp was in agreeance with what had been presented to them in terms of the responses to their concerns. At this point, staff is waiting for the finalized information to get to DEQ; in correspondence with the Corp this morning, that is forthcoming. RIFA should have final approval within about two weeks; at that point, RIFA will have the permit in hand. In terms of Amendment #10, it is for the preparation of construction plans that would include the grading of the pads for 109 acres plus three additional smaller pads for a total of 133 acres in pad area. It also includes construction administration and quality control testing during construction.

Mr. Shanks noted it was \$178,000 for designing, \$85,000 for administration, and testing an additional \$175,000; Mr. Harden noted that is just an estimate, but it shouldn't go above that. Mr. Shanks questioned the study done by Jones Lang LaSalle, and Mr. Harden noted the three targeted areas were wood and paper product manufacturing, plastic and rubber manufacturing and fabricated metal, but that does not preclude RIFA from anything else they may want to do. Mr. Vogler asked for clarification, and Mr. Harden stated the permit has been approved, but RIFA doesn't physically have it. Mr. Harding noted staff has the DEQ permit which is really what they were going for, but the DEQ permit says that RIFA can't start work until they satisfy the Section 106; RIFA has satisfied Section 106 through DHR, staff is just waiting for the Corp to give RIFA its conditional letter.

Mr. Shanks questioned if RIFA is still using the name mega park, and Mr. Harden noted they are using Berry Hill Commerce Center. Mr. Shanks questioned the goal to have it permitted as part of a larger certification and Mr. Tucker explained at that time 1,000 contiguous acres was the minimum threshold to receive that certification. Because of the wetlands and river basin, RIFA does not have 1,000 contiguous acres, that is what kept RIFA from getting that certification. Mr. Tucker explained they are still marketing towards very large industrial users that would need upwards of hundreds of acres; that includes automobile, aerospace and some of those industries. Mr. Sides noted the certification that RIFA used to hear about was a private company certification; that is no longer the direction RIFA is headed. Mr. Harden noted VEDP just started a new site readiness program that RIFA should be hearing about soon.

Mr. Warren **moved** adoption of *Resolution No. 2015-09-14-6B, approving Amendment #10 to Contract dated February 9, 2009, Engineering Services related to the Mega Park Master Plan, for (i) Phase 1 Pad Grading Construction Plans and Specifications at a lump sum fee of \$178,000; (ii) Construction Administration Services at a lump sum fee of \$85,000; and (iii) Construction Testing and Inspection Services at a budget estimate of \$175,000, at a total project estimate of \$438,000.*

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The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**NEW BUSINESS**

**6A. CONSIDERATION – RESOLUTION 2016-03-14-6A – CHANGE IN SERVICE TERRITORY AT BERRY HILL**

Interim City Manager Ken Larking noted this agenda item is asking RIFA for their consent to allow the City of Danville to transfer its electric territory serving the Berry Hill Mega Park from the City of Danville to Appalachian Power. This has been approved by the Utility Commission and by the City of Danville. This Resolution is providing the consent from RIFA in order to handle any logistics. Mr. Guanzon explained because it affects RIFA's land and is affecting that specific territory, they are looking for RIFA's consent. Mr. Larking noted the reason for the transfer is that Appalachian Power has more capacity to serve the Mega Park than the City of Danville at this time. Mr. Shanks stated that the City of Danville had originally hoped to provide electricity to the Mega Park, it was not something the City took lightly turning this over to Appalachian Power, but it is in the best interest of the City and RIFA as Appalachian can make the capital expenditures necessary to serve the property with a cheaper electric rate than the City.

Mr. Barksdale questioned if they think there is going to be any adverse impact of any kind with citizens or businesses. Mr. Larking noted this would be new service area, staff did not believe there would be any adverse impact. The amount of infrastructure the City would have had to put in place in order to serve the kind of user that RIFA wants to have at the Mega Park would be highly capital intensive and could have impacted rates for users in the short term. It was felt it would be better to allow Appalachian Power, who could serve them better immediately, to go ahead and do that; they have competitive rates which would be an attraction for anyone they are trying to get to locate in that park.

Mr. Shanks noted he believes there will be right of way required by Appalachian and Mr. Harden noted his understanding is that AEP will serve the industrial park from the Axton substation. They will have to come from that line, follow existing right of way the City of Danville has on the Pinnacles transmission line and then come down Oak Hill Road. Mr. Blackstock noted he believes it makes sense overall because the rates should be lower and Danville will not have to incur the additional capital costs.

Mr. Shanks **moved** adoption of *Resolution 2016-03-14-6A, consenting to a change in the service territory for the Authority's Berry Hill Industrial Park project located in Pittsylvania County, Virginia, from the City of Danville, Virginia, to Appalachian Power Company (APCo).*

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

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**6B. CONSIDERATION – RESOLUTION 2016-03-14-6B – APPROVING REQUEST BY TRANSCONTINENTAL PIPELINE COMPANY LLC**

Director of Economic Development Telly Tucker explained staff was contacted by a member of the Williams Pipeline team that is part of the Transcontinental Pipeline expansion project, requesting an additional easement on RIFA property; the improvements they are doing on the property require additional acreage. Staff had a discussion about future development in the park and RIFA's need to cross their existing easement in the future. Staff negotiated an agreement whereby in exchange for providing them additional acreage and easement to their existing easement, they would allow RIFA to cross their easement in the future. They have come back and generally are agreeable to the concept of an exchange of easement access with RIFA; Mr. Guanzon is working through the language of the easement contract.

Mr. Guanzon noted they approached RIFA to expand their existing easement at Berry Hill and are going to add some small buildings. Instead of making a legal parcel for them to buy from RIFA, they are looking to have a permanent exclusive easement to build those structures. Right now staff is working out the logistics for the language, and are identifying the areas of their easement that RIFA will have to cross over at some point. The resolution before the Board will authorize staff to go ahead and confirm this agreement.

Mr. Shanks noted the resolution mentions one or more, whatever resolution the board will adopt, will it cover the three or four more they will need and Mr. Guanzon noted it will be three. Once staff has the document, they will bring it back to the Board for ratification. Mr. Guanzon noted he believed this was legally sufficient to tell them definitely there is an agreement in concept. Mr. Harden noted Dewberry has already designed the sanitary sewer, there are two crossings on the sanitary sewer line and maybe three crossing on water and/or gas that will be in the same spot. Those locations were sent to Mr. Guanzon and Williams so they know the locations and designs. The property they are asking about is outside any potential development footprint; it is in their existing 150 foot easement, they are just asking for exclusive easement. It is not a detriment to the project.

Mr. Saunders **moved** adoption of *Resolution 2016-03-14-6B, approving a request by Transcontinental Gas Pipe Line Company, LLC, a Delaware limited liability company, for an expansion of an existing utilities easement located in the Authority's Berry Hill Industrial Park project, in exchange for one or more nonexclusive easements to be granted from such company in favor of the Authority for further development by the Authority of such project with other utility lines and facilities.*

The motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**6C. FINANCIAL STATUS REPORT AS OF FEBRUARY 29, 2016**

Authority Treasurer Michael Adkins reviewed the Financial Status report as of February 29, 2016 beginning with the \$7.3M Bonds for Cane Creek with one expenditure for the month of February of \$3,100 paid to Dewberry for wetlands monitoring. General Expenditures for the month showed two expenditures, \$33 for monthly utilities and \$298 for meals. There was no

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activity for the Mega Park; Lot 4 Site Development showed one expenditure to Wetlands Studies and Solutions of \$371 for ongoing work. Rent, Interest and Other Income Realized for the month showed RIFA receiving a total of \$37,752 from the Institute for Advanced Learning and Research for the Hawkins Building, that is two months' rent. RIFA also received \$600 from Securitas for rent and \$334 for interest earned for February. The only expenditure was \$18,875 which is the standard property management fee paid to the Institute for each month.

Mr. Warren **moved** to accept the Financial Report as presented. The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

**7. CLOSED SESSION**

*[During the closed session, all matters discussed shall involve receiving advice from legal counsel, and as such all communications during the closed session shall be considered attorney-client privileged.]*

At 12:44 p.m. Mr. Saunders **moved** that the Meeting of the Danville-Pittsylvania Regional Industrial Facility Authority be recessed in a Closed Meeting:

A. As permitted by Section 2.2-3711(A)(5) of the Code of Virginia, 1950, as amended ("Virginia Code"), for discussion concerning one or more prospective businesses where no previous announcement has been made of that business's interest in locating its facilities in one or more of the Authority's projects located in Pittsylvania County, Virginia, and/or Danville, Virginia;

B. As permitted by Virginia Code § 2.2-3711(A)(40) for discussion or consideration of records excluded under Virginia Code § 2.2-3705.6(3) (including without limitation those certain confidential proprietary records voluntarily provided by private business pursuant to a promise of confidentiality from the Authority, and used by the Authority for business and trade development); and

C. As permitted by Virginia Code §§ 2.2-3711(A)(3) and (29) (i) for discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Authority; and (ii) for discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Authority.

The Motion was **seconded** by Mr. Warren and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)



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D. On **Motion** by Mr. Saunders and **second** by Mr. Warren and by unanimous vote at 1:46 p.m., the Authority returned to open meeting.

D. Mr. Warren **moved** adoption of the following Resolution:

WHEREAS, the Authority convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia, 1950, as amended, requires a Certification by the Authority that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted by the open meeting requirements of Virginia Law were discussed in the Closed Meeting to which this Certification Resolution applies, and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed, or considered by the Authority.

The Motion was **seconded** by Mr. Shanks and carried by the following vote:

VOTE: 4-0  
AYE: Barksdale, Warren, Saunders, Shanks (4)  
NAY: None (0)

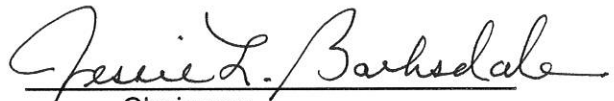
**8. COMMUNICATIONS**


Mr. Barksdale noted RIFA had a good meeting today, thanked everyone who presented and everyone for their time and attendance.

Mr. Vogler thanked everyone for their efforts for Berry Hill and the permitting process.

Mr. Warren thanked Mr. Guanzon, his firm and all the staff; he feels fully prepared and informed before he gets to the meeting and appreciates that very much. Staff does a wonderful job at getting the information to the Board.

The Meeting adjourned at 1:51 p.m.

  
Chairman

  
Secretary to the Authority